

Message Text

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ORIGIN XMB-04

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FSE
EXIMBANK

DRAFTED BY XMB: R R SIMONINI/SLV
APPROVED BY EB/IFD/ODF:MVCREEKMORE
XMB: R D CRAFTON
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FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA

UNCLAS STATE 166026

E.O. 11652: N/A

TAGS: EFIN, CO

SUBJECT: PART A - SLOW PAYMENT OF EXIMBANK LOANS MADE
TO OR GUARANTEED BY THE GOVERNMENT OF COLOMBIA.
PART B - STATE 117953 PAYMENT OF INTEREST ON
PAST DUE INTEREST.

PART A

1. EXIMBANK HAS EXPERIENCED DIFFICULTY IN RECIEIVING
PAYMENT FROM THE GOVERNMENT OF COLOMBIA ON LOANS
MADE DIRECTLY TO THE GOVERNMENT OR LOANS GUARANTEED
BY THE GOVERNMENT. AT PRESENT, PAYMENTS FOR TWO
EXIMBANK LOANS INVOLVING THE GOVERNMENT ARE OVERDUE.

2. THE FIRST LOAN, CREDIT NO. 2205, HAS BEEN IN
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DEFAULT FOR OVER 2 YEARS. THE BORROWER IS EMPRESAS
PUBLICAS MUNICIPALES DE BARRANQUILLA AND THE GUARANTOR
IS THE REPUBLIC OF COLOMBIA. NUMEROUS TELEXES AND
BILLINGS HAVE BEEN SENT TO EMPRESAS PUBLICAS AND
THE MINISTRY OF FINANCE ASKING FOR PAYMENT WITH LITTLE
RESPONSE. DURING JUNE 1976, DEPUTY V.P., THEODORE
CHAPMAN, AND LOAN OFFICER, ROBERT SIMONINI, OF EXIMBANK
ALONG WITH JOHN PENFOLD OF THE EMBASSY, PAID A VISIT

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TO EMPRESAS PUBLICAS TO DISCUSS THE PAYMENT OF THE OVERDUE AMOUNTS. A MEETING WAS ALSO HELD WITH RUDOLFO HOLMES, DIRECTOR OF PUBLIC CREDIT, IN WHICH THESE PAST DUE PAYMENTS WERE DISCUSSED. AFTER THESE DISCUSSIONS, IT WAS HOPED THAT PAYMENTS WOULD BE FORTHCOMING BUT NONE WERE MADE. IN MARCH OF THIS YEAR, EXIMBANK MADE A DEMAND FOR PAYMENT TO THE MINISTRY OF FINANCE, ATTENTION DR. RUDOLFO HOLMES, DIRECTOR OF PUBLIC CREDIT. ON MAY 3, 107,488.45 DOLS. WAS RECEIVED BY EXIMBANK. THIS AMOUNT WAS APPLIED TO OVERDUE COMMITMENT FEES OF 935.09 DOLS., OVERDUE INTEREST OF 86,731.93 DOLS., AND ,9,821.43 DOLS. TO PART PAYMENT OF PRINCIPAL OVERDUE SINCE OCTOBER 30, 1975. ON JUNE 28, 1977, 42,033 DOLS WAS RECEIVED OF WHICH A PART WAS APPLIED TO 22,211.57 DOLS. TO BALANCE PRINCIPAL OVERDUE SINCE OCTOBER 31, 1975 AND 19,821.43 DOLS TO PART PAYMENT OF PRINCIPAL OVERDUE SINCE APRIL 30, 1976. EXCLUDING INTEREST ON DELAYED PAYMENTS, THE REMAINING ARREARAGES NOW TOTAL 106,277.57 DOLS. AS DETAILED BELOW:

OVERDUE SINCE DOLLARS PRINCIPAL
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4-30-76 (BALANCE)	22,211.57
10-30-76	42,033.00
5-2-77	42,033.00

3. IN ADDITION TO THE PRECEDING, WE ARE EXPERIENCING REPAYMENT DIFFICULTIES ON AN ADDITIONAL LOAN NO. 3309 MADE TO THE REPUBLIC OF COLOMBIA. ON THIS LOAN, TOTAL OVERDUE INTEREST OF 10,833.58 DOLS. HAS NOT BEEN RECEIVED - 306.10 DOLS. OVERDUE SINCE MARCH 8, 1977 AND 10,527.47 DOLS. OVERDUE SINCE MARCH 15, 1977.

4. WE ARE VERY CONCERNED ABOUT THESE OVERDUE PAYMENTS, ESPECIALLY THOSE INVOLVED IN CREDIT 2205. THE ASSISTANCE OF THE EMBASSY WILL BE APPRECIATED BY BRINGING THESE OVERDUE PAYMENTS TO THE PERSONAL ATTENTION OF MR. GABRIEL TURBAY-MARULANDA, DIRECTOR OF PUBLIC CREDIT, AND BY EMPHASIZING THE GOVERNMENT OF COLOMBIA'S RESPONSIBILITY TO REPAY ITS DIRECT OBLIGATIONS OR HONOR ITS REPAYMENT GUARANTEE IN A TIMELY MANNER. IF POSSIBLE, PLEASE DETERMINE WHEN THESE OVERDUE PAYMENTS WILL BE MADE OR IF MADE, AFFIRM WHICH BANKS WERE USED FOR THE FUNDS TRANSFER SO WE MAY TRACE THE PAYMENT.

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PART B

5. WE WOULD APPRECIATE A RESPONSE TO OUR CABLE OF
MAY 21, STATE NO. 117953, REGARDING THE EXISTENCE
OF RESTRICTIVE CENTRAL BANK REGULATIONS CONCERNING
THE PAYMENT OF INTEREST ON PAST DUE INTEREST. VANCE

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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